

October 22, 2007

1120 Stakeholders

We are pleased to announce that we are posting the second draft of the Tax Year (TY) 2007 XML schemas (version 2007v1.1) that we refer to as Release 5.0 on our website. These schemas focus on the new tax year form and tax law changes that have occurred. Publication 4162 (Modernized e-File Test Package for Forms 1120/1120-S/1120-F and 7004) was published on the irs.gov website on August 31, 2007. We anticipate Assurance Testing (ATS) to begin November 5, 2007, for the schema versions 1120v1.0, 1120Sv1.0, 1120Fv1.0 and 7004v1.0 posted on August 31, 2007. **The versions being posted today can be used for ATS beginning December 2, 2007.**

XML Schemas

The schemas we are presenting today are the second draft of Tax Year 2007 XML schemas for all 1120/1120-S/1120-F/7004 forms and schedules (new version 2007v1.1). The schemas are posted in the **ATS System** table on the current valid schema chart posted to irs.gov at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>. Also included are the "Diff Files" that show the changes from the previous schema versions. The **Production System** table contains the current valid schemas for Forms 1120, 1120-S and 7004 that are still being used to process TY 2004, TY2005 and TY2006 tax returns and TY 2006 timely-filed extensions.

Please note: The Instance Document contained in the schema files is viewable with any generic Multipurpose Internet Mail Extensions (MIME) reader. Found within the 1120 folder, the Instance Document contains an example 1120 transmission.

Business Rules

Release 5.0 Business Rules for TY 2007 (new version 2007v1.1) are posted in two different formats that contain identical information – Adobe (.pdf) and a comma-separated file (.csv). A column within the file identifies changes made from the last posted version to help clarify what changes were made. The new business rules are posted in the **ATS System** table on the current valid schema chart posted to irs.gov at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>.

Also posted are the Business Rules for 1120 and 1120-S Amended Returns (version 2007v1.1). These Business Rules are a subset of the 1120//1120-S rules, as taxpayers filing an amended 1120 or 1120-S return are only required to submit the **main form and any forms where there have been changes**.

As with the XML schemas, current valid Business Rules for TY 2004, TY 2005 and TY2006 are shown in the **Production System** table.

Key Changes

The following forms have been added in XML for TY2007:

- 1120-F and its associated schedules (M-1/M-2, M-3, H, I and P)
- 5375 (American Samoa Economic Development Credit)
- 1120X (Amended U.S. Corporation Income Tax Return)

Note: Form 2553 will be PDF for TY2007.

For 8913 will be obsolete beginning with TY2007, but can still be filed for prior year returns and fiscal year filers.

Beginning January 2008, Modernized eFile will only accept tax returns for Tax Years 2005, 2006 and 2007.

As a reminder, please see the Large and Mid-Size Corporation (LMSB) website for special instructions and procedures for taxpayers required to *e-file* at <http://www.irs.gov/businesses/corporations/article/0,,id=146959,00.html>.

As always if you have any questions or comments, please contact us at 1120@irs.gov. You may also contact the following Electronic Tax Administration (ETA) analysts for specific questions:

Form 1120/1120-S:	Irmgard Hubbard (202) 283-0843
Form 1120-F:	Elizabeth Kelley (202) 283-4849
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